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Senate passes brownfield redevelopment bills

Lansing -- The Senate passed legislation today designed to aid development of brownfields in Michigan. Senate Bill 806, introduced by Sen. Tom George (R-Texas Twp), creates a Clean Michigan Initiative revolving loan program.

It is part of the JOBS - Job Opportunities for Business Success - initiative proposed by Senate and House Republicans to create more and better jobs in Michigan

“These bills not only help the environment by making the brownfield clean-up process more efficient, they also help local governments meet and manage their future development,” George said.

SB 806 sets out the details of the newly created CMI revolving loan program by requiring the Department of Environmental Quality to provide for at least one application cycle per fiscal year and to set out the written instructions for prospective applicants. The department is required to make final application decisions within 90 days of the application deadline.

“We are thrilled at the possibility that brownfield grant and loan money may become available again with the passage of SB 805 and SB 806,” said Ron Fleckenstein, Parchment City Manager. “The city of Parchment has experienced a 35-percent reduction in its property tax revenue as a result of the closing of the former Crown Vantage Paper Mill. Ownership of the mill property was transferred to the city. Our challenge is to return the property to the tax rolls as soon as possible. SB 805 and SB 806 will help make that possible.”

(More)

The self-sustaining fund would allow local units of government and Brownfield Redevelopment Authorities to finance a variety of local brownfield development opportunities. Responsibilities for using funds for redevelopment would be placed in the hands of local government, and give them greater flexibility in crafting development deals to meet their needs. The legislation also will drive down costs by providing a broader range of private contractors the ability to compete for funds. Presently, the program for DEQ conducted cleanups under CMI restricts the use of the funds to six contractors, five of whom are out of state.

Currently, a portion of the allocated Clean Michigan Initiative money is dedicated to a similar grant and loan program on a much smaller scale, and has created more than 4,000 new jobs and more than \$330 million in private investment.

“To qualify for the funds, local governments must have a signed contract with a developer committing to brownfield redevelopment,” George said. “By requiring such a contract, the environment is aided while jobs are created.”

The legislation now goes to the House for consideration.

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Comments from Sen. George on the CMI legislation are available for download on the Senate Majority Audiowire at www.senate.michigan.gov/gop or by calling the radio hotline at 517-373-4000.